

FY2014 Water and Sewer Operating Budgets

Articles 22 and 23
Annual Town Meeting
May 15, 2013

FY14 Water Department Budget

- Recommended budget is \$19,481,999
 - \$2,007,015 or 11.9% more than FY13
 - \$1.6 M of this increase is debt service
 - 90% is prior year projects not FY14
 - \$220,293 of increase is MWRA assessment
 - \$119,608 of increase is operating costs
 - MWRA assessment is 39% of total budget
 - Debt service is 28% of the total budget
 - Salaries and Operating costs combined are 25% of the total budget

FY14 Sewer Department Budget

- Recommended budget is \$23,159,266
 - Increase of \$1.78M or 8%
 - \$1.48M of increase is debt service
 - \$183,129 of increase is MWRA assessment
 - \$77,547 of increase is operating costs
 - MWRA assessment is 46% of total budget
 - Debt service is 29% of total budget
 - Salaries and operating costs combined are 18% of total budget

Debt Service and the future

- Significant increase in debt service is due to the completion of a substantial number of capital improvements to the water and sewer system
- Longer term borrowing (30/40 year bonds) can reduce the incremental cost increase per year
 - Fall bond issuance will utilize longer terms while interest rates are low
 - Depending upon market, and how much we bond, could reduce rate increase by 10-15 cents

Impact on Rates

- Costs/budget
 - Increase in costs raises rates
 - Decrease in costs lowers rates
- Usage/Consumption
 - Increase in usage lowers rates
 - Decrease in usage raises rates
 - Usage trend is downward
 - Breyers closing, Genzyme expansion
- Assumes no mitigation; use of retained earnings to offset rate increases is likely, but moderate

Impact on Rates

Comparison of Water Rates

	<u>FY13 Current</u>	<u>FY14 New</u>	<u>\$ Change</u>	<u>% Change</u>
<u>Metered Rates</u>				
Tier 1	\$4.38	\$5.51	\$1.13	26%
Tier 2	\$4.85	\$6.10	\$1.25	26%
Tier 3	\$5.63	\$7.09	\$1.46	26%
Tier 4	\$6.59	\$8.34	\$1.75	27%
Tier 5	\$7.96	\$10.09	\$2.13	27%
Irrigation	\$8.20	\$10.32	\$2.12	26%
Elderly	\$3.29	\$4.13	\$0.84	26%

Comparison of Sewer Rates

	<u>FY13 Current</u>	<u>FY14 New</u>	<u>\$ Change</u>	<u>% Change</u>
<u>Metered Rates</u>				
Tier 1	\$5.36	\$6.28	\$0.92	17%
Tier 2	\$5.54	\$6.48	\$0.94	17%
Tier 3	\$7.39	\$8.67	\$1.28	17%
Tier 4	\$10.57	\$12.41	\$1.84	17%
Tier 5	\$15.35	\$18.03	\$2.68	17%
Elderly	\$4.02	\$4.71	\$0.69	17%

Impact on Rates

FY13 to FY14					
<u>Comparison of Combined Water & Sewer Rates</u>					
	<u>FY13</u>	<u>FY14</u>	<u>\$ Change</u>	<u>% Change</u>	
<u>Metered Rates</u>					
Tier 1	\$9.74	\$11.79	\$2.05	21%	
Tier 2	\$10.39	\$12.58	\$2.19	21%	
Tier 3	\$13.02	\$15.76	\$2.74	21%	
Tier 4	\$17.16	\$20.75	\$3.59	21%	
Tier 5	\$23.31	\$28.12	\$4.81	21%	
Irrigation	\$8.20	\$10.32	\$2.12	26%	
Elderly	\$7.31	\$8.84	\$1.53	21%	

Use of retained earnings in both the water and sewer funds could reduce the overall increase in rates to about 18%.

Impact of Rates

<u>Annual Bill</u>				
<u>Annual Usage</u>	<u>FY13 Current</u>	<u>FY14 New</u>	<u>\$ Change</u>	<u>% Change</u>
<i>5/8 inch meter</i>				
24	\$233.76	\$282.96	\$49.20	21%
Elderly 24	\$175.44	\$212.16	\$36.72	21%
48	\$467.52	\$565.92	\$98.40	21%
105	\$1,059.75	\$1,282.98	\$223.23	21%
120	\$1,247.16	\$1,509.84	\$262.68	21%
156	\$1,715.88	\$2,077.20	\$361.32	21%
Irrigation 156	\$1,279.20	\$1,610.13	\$330.93	26%
4 Unit Apt - 420	\$4,239.00	\$5,131.92	\$892.92	21%
<i>2 inch meter</i>				
250	\$3,130.20	\$3,788.18	\$657.98	21%
500	\$7,420.20	\$8,975.68	\$1,555.48	21%
1,000	\$16,000.20	\$19,350.68	\$3,350.48	21%
<i>4 inch meter</i>				
60 Unit Apt 2,136	\$35,493.96	\$42,922.68	\$7,428.72	21%
<i>6 inch meter</i>				
5,000	\$96,940.20	\$117,090.68	\$20,150.48	21%
20,000	\$446,423.58	\$538,890.68	\$92,467.10	21%

FY13 Combined Annual Water & Sewer Charges in Metro MWRA Communities (120HCF)

Community (MWRA Service)	Avg. Water Rate	Water	Avg. Sewer Rate	Sewer	Combined Total
Belmont (W/S)	\$6.04	\$724.28	\$11.23	\$1,347.04	\$2,071.32
Hingham (S)	\$7.83	\$939.68	\$9.40	\$1,128.00	\$2,067.68
Milton (W/S)	\$5.46	\$655.68	\$10.26	\$1,231.68	\$1,887.36
Nahant (W)	\$6.03	\$723.60	\$9.16	\$1,099.20	\$1,822.80
Ashland (S)	\$3.13	\$375.60	\$12.01	\$1,440.80	\$1,816.40
Newton (W/S)	\$5.99	\$719.20	\$8.83	\$1,060.00	\$1,779.20
Melrose (W/S)	\$5.75	\$690.00	\$8.91	\$1,069.20	\$1,759.20
Dedham (partial W/S)	\$4.94	\$592.44	\$8.08	\$969.60	\$1,562.04
Medford (W/S)	\$5.31	\$637.20	\$7.60	\$912.00	\$1,549.20
Weymouth (S)	\$5.07	\$608.88	\$7.67	\$920.84	\$1,529.72
Framingham FY14 Proposed	\$5.97	\$716.64	\$6.64	\$797.07	\$1,513.71
Brookline (W/S)	\$5.00	\$600.20	\$7.46	\$895.40	\$1,495.60
Needham (partial W/S)	\$4.03	\$483.00	\$8.32	\$997.80	\$1,480.80
Chelsea (W/S)	\$4.10	\$492.00	\$8.03	\$963.60	\$1,455.60
Watertown (W/S)	\$3.99	\$479.32	\$7.61	\$913.20	\$1,392.52
Wellesley (partial W/S)	\$3.71	\$445.68	\$7.84	\$940.80	\$1,386.48
Cambridge (emergency W/S)	\$3.17	\$380.00	\$8.17	\$980.00	\$1,360.00
Westwood (partial W/S)	\$4.94	\$592.44	\$6.23	\$748.00	\$1,340.44
Natick (S)	\$2.63	\$316.00	\$8.09	\$971.20	\$1,287.20
Framingham FY13	\$4.74	\$568.80	\$5.65	\$678.36	\$1,247.16
Boston (W/S)	\$4.54	\$544.26	\$5.83	\$700.10	\$1,244.36
Malden (W/S)	\$4.90	\$588.00	\$5.30	\$635.52	\$1,223.52
Lynn (partial W)	\$3.42	\$410.40	\$6.31	\$757.08	\$1,167.48
Clinton (W/S)	\$2.86	\$343.60	\$2.15	\$257.60	\$601.20

As other communities set FY14 rates we would expect to move down the list

We expect to be in the middle of this list by the time we have completed the intense reconstruction of the system

Choose
FRAMINGHAM